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I. NUCLEAR PROVISIONS

Proposed Changes:

State - The proposed policy permits a two-year test suspension separate from non-nuclear measures. Prior agreement to the production "cut-off" would not be required, but continuation of the suspension after a two-year period would be conditioned upon agreement on an adequately inspected production "cut-off", with the US declaring at the outset its intention to resume testing if the above condition had not been met. The US would declare that, if tests were resumed, we would conduct them underground so that no further radioactive material would be put into the atmosphere.

The new policy permits agreement on a "cut-off" as a separate step.

Regarding methods of implementing a "cut-off", present policy provides that all future production be devoted to non-weapons purposes, including stockpiling -- which assumes permission to set production rates at present or even higher levels, so long as production is not used for weapons. The new policy permits the additional alternatives of (1) closing existing production facilities, with non-weapons use needs to be met from past production, or (2) retention of only those production facilities needed to meet expected non-weapons use requirements for, say, the next ten or fifteen years.

CIA - The CIA feels that it would be to the advantage of the US to announce a short unilateral cessation of the production of nuclear material for weapons purposes. This would emphasize the importance which we place on cessation and put pressure on the USSR on this issue. In view of the great future demand in the US for nuclear material for peaceful purposes and the stock of nuclear weapons already available we believe that the US could take this action without jeopardizing US security.

CIA recommends that the clause prohibiting transfer of nuclear weapons be dropped on the grounds that the Soviets probably have more reason to fear the transfer of nuclear weapons than we do.

Atomic Energy Commission - The Atomic Energy Commission does not favor an agreement providing for the suspension of nuclear testing independently of other provisions of the June 11, 1957 NSC Policy Paper on Disarmament. The Commission believes that any agreement dealing with the testing of nuclear weapons should be tied in with one or more of the other important US disarmament proposals.

The Atomic Energy Commission recognises the fact that US security depends not alone on our military strength but also on international alliances and other political factors. If there must be a suspension or limitation on nuclear testing, the Atomic Energy Commission believes that the United States should agree to a program of limitation on nuclear tests

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in lieu of any temporary or complete suspension of tests. The AEC, therefore, has informally approved the following modification of the present US position on nuclear tests:

(a) unrestricted testing underground to be allowed under international monitoring necessary to insure containment and with advance notice of all test explosions.

(b) restricted testing aboveground to be allowed under international inspection and with agreement that no test explosion of more than 100 KT would be made, and that not more than 20 test explosions would be held in any one calendar year by any nation.

Comments on Proposed Changes:

State - A post-HARDTACK test suspension is in our [military security] interest because it would tend to preserve the substantial lead in weapons technology we will have after HARDTACK, [including a warhead capability for AICB]e; establish significant inspection posts behind the Iron Curtain; and inhibit Nth country nuclear capabilities.

The test issue is probably the most difficult psychological issue we face in foreign affairs. Foreign and domestic pressures for a test cessation will continue to increase, in part due to the forthcoming UN Radiation Committee report. Within a year or two we will face a majority UN resolution calling for a separate test ban. Moreover, passions aroused abroad by this issue constitute a threat to the security of our military base system. Also the new policy would deprive the Soviets of their chief diversionary tactic in disarmament negotiations, enabling us to focus world opinions on more significant disarmament issues.

With respect to inspection, the ad hoc NSC panel has indicated that an effective and reasonable inspection system is possible.

If the proposal includes underground testing only in case of resumption, it would help to meet the health issue.

A "cut-off" would preserve our present stockpile lead, and would stop the development of Nth country nuclear capability. Since such a proposal, by itself, is probably unacceptable to the USSR, armament and force level reductions we would accept if a "cut-off" were agreed to are proposed.

The alternative "cut-off" methods would, in the case of a complete shutdown, drastically reduce inspection needs; or if limited production facilities were retained, would reduce such needs to proportions acceptable to the US and even possibly the USSR. It is difficult to press the USSR to accept a "cut-off" at an early stage so long as it is framed in terms requiring very comprehensive inspection. Non-weapons needs for fissionable material for the next ten to fifteen years do not appear to require existing large production capabilities.

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Atomic Energy Commission - The AEC representative prefers the wording in the June 11, 1957 Policy Paper on Disarmament with regard to the cut-off of nuclear production to that contained in paragraph 2.a. of the State proposed change. The AEC representative believes that the State Department proposal would imply that closing down production facilities is the most desirable way to insure that no future production of fissionable material is used for weapons purposes. Present estimates of future domestic and overseas requirements for fissionable material for peaceful purposes will require the continued operation of most US production facilities. Under these conditions, all that could be said about closing down such facilities is that each contracting party should have complete discretion to operate them or to close them down. That option is, of course, available to any country at the present time. AEC sees no advantage in including an optional provision to close down facilities.

The AEC representative invites attention to the note following this paragraph (Paragraph 2 of the State proposal) which states that the obligations under this provision will not affect the use after the cut-off date of fissionable materials on hand at that date to maintain weapons. This would require the operation of certain production facilities for the purpose of producing material to be used in maintaining weapons in stockpile. The AEC considers this requirement as vital to the maintenance of an effective stockpile and could not support any provision of a disarmament agreement which would prevent this requirement from being fulfilled.

The AEC representative calls attention to the hiatus in the steps proposed in paragraph 5 of the State paper in that no provision is made to specifically deal with the situation arising if the effective date for the cut-off of production is later than the expiration of the agreed period for the suspension of nuclear testing.

The AEC representative objects to the provision that, if tests were resumed, they would be limited to underground tests, on the ground that this is too restrictive. Provision should be made for above-ground testing under the limitations suggested by AEC as outlined under Proposed Changes.

CIA - The provisions of this section of the State Department paper should convince the majority of our allies and uncommitted nations that we are striving for a sound and reasonable solution to the nuclear problem. The period of a test suspension should provide a clear opportunity for the rest of the world to judge whether the Soviet Union is sincere in its alleged desire for a relaxation of tensions. Furthermore, continued delay in the adoption of a test suspension by the US provides additional opportunity for the USSR to withdraw from its unilateral suspension. If this were to happen, the USSR could then advance the argument that it was forced to withdraw by US intransigence and "war-mongering." This would give the USSR double propaganda mileage out of their unilateral test suspension.

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Defense - The Department of Defense representative does not concur in the proposal that, independently of agreement on other elements of a disarmament program, the US should agree to refrain from nuclear weapons testing. He considers that the suspension of nuclear testing should, as a minimum, be linked to measures for the control of production of fissile materials and for the prevention of great surprise attack.

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II. INSPECTION AGAINST SURPRISE ATTACK

Proposed Changes:

State - Inspection zones and other surprise attack measures could be undertaken simultaneously or separately, with respect to each other and with respect to the other disarmament proposals. Present policy requires inspection zone agreements to be part of the first phase package, and a European zone to be contingent upon Soviet acceptance of either the US-Canada-USSR zone of the Arctic zone.

In addition to reaffirming the broad US-Canada-USSR zone, the Arctic zone, and the larger European zone, set forth in the August 29 proposals, the new policy provides for the European zone (5° East to 35° East longitude and bounded on the South by 40° latitude) approved by NATO but not presented in London. There is, in addition, the fallback proposal for a more limited European zone, e.g., the zone suggested by General Norstad, but perhaps expressed in geographical coordinates.

The new policy would also permit negotiation of reciprocal ground control posts in the US and USSR and at their bases abroad.

Defense - See TAB B (The Department of Defense proposal differs from that of State in that it would make any European zone contingent upon Soviet acceptance of the US-Canada-USSR zone or the Arctic zone. Although the 5° - 35° zone is suggested as a starting point, definite boundaries of a European zone would be subject to negotiation with our European allies.)

Comments on Proposed Changes:

State - Inspection zones increasing surprise attack protection would be in our interest, would begin to open up the Soviet bloc, and would provide experience in mutual inspection.

The previous reluctance of some NATO allies to a separate limited European zone has probably diminished because of internal political pressures, such as the need for "some answers" to the Rapacki plan. Some initiative in suggesting a smaller inspection zone in Europe would be the most effective counter to European pressures for "atom free" zones. We should be willing, if NATO insists, to condition a European zone on acceptance of at least one of the proposed surprise attack measures; we should also consult Chancellor Adenauer prior to submission of a zone proposal to NATO.

Because of prior Soviet insistence on linking inspection zones to other measures, the State Paper sets forth (see below) the measures we would undertake if any two of the proposed surprise attack measures were accepted.

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Defense - The Department of Defense considers that the zone or zones proposed should be of such character and dimensions as to constitute a real contribution against surprise attack. A small European zone, as proposed in the Department of State paper, standing alone and unrelated to any other disarmament measure, would not materially contribute toward this objective, since it would not affect the central sources of nuclear attack forces, i.e. US and USSR. The Department of Defense maintains that there must be effective inspection for every portion of every agreement affecting armaments signed by the US. Separate ground control posts would violate that principle and would establish a pattern similar to that which proved so highly ineffective in Korea. The recent Soviet protests in the UN in regard to US bomber flights highlights the importance of the Arctic zone, which the USSR has repeatedly rejected as of no importance. The US should exploit this situation and press the USSR for acceptance of this zone, either alone or in conjunction with a European zone. (See additional comments TAG B.)

CIA - Agreement on any ~~one~~ of the inspection zones mentioned would materially improve the ability of US intelligence to get advance warning of an impending Soviet attack. The gain on the Soviet side would not be as great because of the relatively greater openness of free-world areas. On the same grounds we strongly support the proposal for ground inspection posts beyond the limits of an inspection zone. Even a European Zone by itself would be a material gain to western intelligence. There would also be material gains from a European inspection zone in the form of greater western contact with European satellites and increased restriction of Soviet freedom of action in that area.

It should be noted that Governor Stassen first mentioned informally to the Soviets a zone running to 30° East. They responded with a counter-proposal to 25° East. Our later proposal of 35° East was regarded by them as not in keeping with this bargaining sequence.

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III. REDUCTIONS OF ARMED FORCES AND ARAMENTS

Proposed Changes:

or alternatively

State - The State-proposed policy permits US - USSR reductions to 2.2 million with acceptance of any two of the proposed surprise attack measures, and subsequent reductions to 2 million (with a listing of bases and installations outside their respective territories the US and USSR would give up as a consequence of such a reduction) if the wider US-USSR-Canada-Europe zone were accepted, comparable limitations were accepted by other militarily significant countries, and if either a nuclear production "cut-off" or the proposed missile controls were accepted. The US would also indicate willingness, in subsequent phases, to carry out further reductions to levels not lower than 1.5 million men. No commitment would be made for such reductions, which would depend upon progress toward solution of major political issues and fulfillment of the first-phase agreements. In each instance, there would be corresponding UK and French reductions.

The State-proposed policy retains the August 29 proposals' first step deposition of designated armaments in international depots. Deposition of armaments in depots for the force level reduction to 2 million would be such that armaments retained would have a general agreed relationship to the armed forces remaining.

Defense - The proposed Defense policy permits, within a first-phase agreement which includes surprise attack inspection zones in the US-Canada-USSR, or in the Arctic, reduction to 2.2 million men, subject to verification by the control organ. Second stage reductions to 2 million men would be permitted under conditions as stipulated in present policy.

Comments on Proposed Changes:

State - The reduction to 2.2 million has the same relationship to existing US levels (2.5 million) that 2.5 million represented when it was agreed, i.e., a 300,000 reduction. This reduction will probably be accomplished by the US within the next few years in any event. Current Soviet levels are somewhere around 4 million. The proposed inspection should ensure that Soviet forces are substantially reduced, with some concomitant decline in Soviet capability for limited aggression.

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A [subsequent] reduction to 2.0 million would reduce Soviet capability for both nuclear and massive conventional attack. It would be in our interest for this reason and because the "cut-off" or missile control to which would be tied would greatly enhance our security. Such a proposal would also receive full support by world opinion.

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Defense - The Department of Defense representative considers that it would not be in the United States interests to reduce forces below the 2.2 million level in a first-phase disarmament arrangement under the conditions set forth in paragraph 2 of the Department of State position paper. Without the resolution of some of the major political problems (e.g., the reunification of Germany, the unification of Korea and of Viet Nam, the problem of Communist China), there will be a continuing requirement for substantial US forces in being. The Department of Defense representative considers therefore that initial reductions of forces and armaments should be relatively modest. The requirement, as now set forth in current policy, that further reductions be contingent upon verification of satisfactory performance and progress toward solution of political problems, is considered to be reasonable and, from the standpoint of United States interests, an essential pre-condition. The US should not accede to the pressures of the USSR for unconditional reduction of forces to intermediate or ultimate levels within the first-phase agreement.

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IV. MISSILES AND OUTER-SPACE

Proposed Changes:

State - The proposed policy elaborates upon existing policy, and provides for, simultaneously or separately:

(a) International cooperation in scientific research related to outer space, and in selected outer space projects in which joint cooperation could be achieved, prior to the more extensive missile controls, looking forward to US-Soviet presentation of such a program to the UN General Assembly. *+ others* *independent of the problem of advance notifications*

(b) Advance notification and, if possible, inspection of all vehicles entering outer space (or, as a fall back, all objects to be launched into orbit).

(c) Establishment of a technical committee to study the possibility of designing an inspection system to assure that outer space could be used exclusively for peaceful and scientific purposes.

(d) Cessation of testing and production of, and elimination of the stocks of IRBM's and ICBM's, as soon as a mutually acceptable verification system has been devised and installed.

Comments on Proposed Changes:

State - The proposal for peaceful cooperation ~~would arrive at limited~~ *would gain* US-Soviet cooperation, short of a missile control agreement, which might reduce the frictions and dangers inherent in national space competition, would facilitate outer space development, and would gain us the psychological initiative in this field.

The proposed advance notification of vehicles would tend to lessen the possibility of accidental war.

The proposal for a technical committee will maintain our present initiative in this area. The proposed agreement on testing, production and on elimination of missiles would not be undertaken until it had been determined that an acceptable system of verification had been devised. [The linkage of production and elimination has been made in the light of the comments of Dr. William's office.] If such a system were installed it would materially increase our strategic position, and would lessen the danger of accidental war.

CIA - We believe that it would be highly desirable to place major emphasis on the positive aspects of the peaceful uses of outer space and reduce emphasis on or eliminate the section on the control aspects of the

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missile problem. In view of the newness of the missile art in general, and the rapid technological change inherent in the current state of the art, we question the definition of the missiles to be considered for control. It might well be that further study would show that some other definition might be more to the US advantage. We do not know that this will be so, but feel that the problem is too important to allow the US position to become fixed on the basis of the study done so far.

We also feel that a call for the elimination of missiles already fabricated is open to the same objections that we raise to the Soviet proposal to eliminate all nuclear weapons. Namely, we feel that both proposals are probably equally uninspectable. If our missile elimination proposal were accepted, the USSR might be able to retain a clandestine missile capability in view of their large supply of missiles already built. Furthermore, if we advance this proposal, the USSR might be able to say that we could equally well accept their proposal for the elimination of nuclear weapons. This we should avoid.

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We feel that, in general, Soviet development of missiles is probably far ahead of the counterpart US effort and that a cessation of missile development and testing in the next year or two might leave the USSR with an unacceptable advantage over the US in its knowledge of the missile art.